

## Message Text

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ORIGIN ARA-14

INFO OCT-01 ISO-00 SAB-02 PM-05 NSC-05 SP-02 SS-15  
CIAE-00 DODE-00 INR-10 NSAE-00 PA-01 ICA-11 L-03  
GSA-02 INT-05 EB-08 COM-02 STR-07 /093 R

DRAFTED BY ARA/AND/B - MR. TOYRYLA:LEE  
APPROVED BY ARA - MR. BUSHNELL  
ARA/AND - MR. BARNEBEY

-----066938 110947Z /23

R 110045Z MAY 78  
FM SECSTATE WASHDC  
TO AMEMBASSY LA PAZ

C O N F I D E N T I A L STATE 119881

E.O. 11652: GDS

TAGS: EMIN, PBOR, BL

SUBJECT:AMBASSADOR ITURRALDE'S CALL ON DEPUTY ASSISTANT  
SECRETARY BUSHNELL

1. BOLIVIAN AMBASSADOR CARLOS ITURRALDE CALLED ON  
DEPUTY ASSISTANT SECRETARY BUSHNELL ON MAY 9. ITURRALDE  
TALKED ABOUT THE BOLIVIAN SEA CORRIDOR ISSUE AND TIN.

2. ITURRALDE PRESENTED A LETTER FROM PRESIDENT BANZER  
TO PRESIDENT CARTER. THE LETTER CONGRATULATED THE USG  
ON THE SENATE'S RATIFICATION OF THE PANAMA CANAL TREATIES  
AND EXPRESSED THE HOPE THAT THE SAME SPIRIT OF NEGOTIATION  
WOULD EVENTUALLY LEAD TO SATISFYING BOLIVIA'S SEA  
CORRIDOR ASPIRATIONS. ON PRESENTING THE LETTER, THE  
BOLIVIAN AMBASSADOR SAID THAT THE USG IS NOW IN A  
POSITION TO HELP REVIVE CORRIDOR NEGOTIATIONS AMONG  
BOLIVIA, PERU, AND CHILE TOWARD FRUITION. ITURRALDE  
SAID THAT NOT ONLY WAS THE US THE MOST POWERFUL NATION  
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IN THE REGION, BUT NOW, FOLLOWING RATIFICATION OF THE  
CANAL TREATIES, IT HAS THE MORAL CREDENTIALS TO ENCOURAGE  
NEGOTIATED SETTLEMENT OF OTHER OUTSTANDING TERRITORIAL  
DISAGREEMENTS IN THE HEMISPHERE. ITURRALDE SUGGESTED  
THAT PRESIDENT CARTER MIGHT CALL FOR SETTLEMENT OF THE  
CORRIDOR ISSUE IN HIS SPEECH IN PANAMA PLANNED FOR

JUNE. ITURRALDE AGREED WITH BUSHNELL THAT REMARKS BY PRESIDENT CARTER MIGHT BE INTERPRETED AS CRITICISM OF BOLIVIA FOR BREAKING RELATIONS WITH CHILE OVER THE CORRIDOR ISSUE, BUT BELIEVED THAT WORDS COULD BE FOUND TO ENCOURAGE RENEWED NEGOTIATIONS WITHOUT SOUNDING CRITICAL OF ANY OF THE PARTICIPANTS. BUSHNELL EMPHASIZED THAT IT WOULD BE INAPPROPRIATE FOR THE US TO BECOME DIRECTLY INVOLVED IN THE CORRIDOR NEGOTIATIONS BUT THAT INCLUSION OF THE MATTER IN THE PRESIDENT'S SPEECH COULD BE CONSIDERED.

3. ON TIN ITURRALDE EMPHASIZED THE NECESSITY FOR ADEQUATE AND STABLE PRICES FOR PRODUCERS. HE SAID THAT PRICE FLUCTUATIONS IN THE PAST HAD DISCOURAGED POTENTIAL INVESTMENTS IN NEW MINES AND THAT TIN SALES BY GSA WHICH WERE NOT CAREFULLY REGULATED COULD HAVE THE SAME EFFECT IN THE NEAR FUTURE. ITURRALDE STATED THAT NEW TIN MINE INVESTMENTS ARE NEEDED NOW IF THE WORLD IS TO AVOID SEVERE SUPPLY SHORTAGES IN THE FUTURE. HE POINTED OUT THAT THE GOB RECENTLY MODIFIED ITS TAXATION OF TIN TO ALLOW FOR REDUCED RATES ON NEW PRODUCTION. HE ALSO SAID THAT IT IS NOW POSSIBLE FOR LAND CONTAINING PROBABLE TIN RESERVES TO BE LEASED TO FOREIGN OR MIXED FOREIGN AND DOMESTIC MINE DEVELOPERS. ITURRALDE ARGUED THAT IT IS IN THE INTERESTS OF THE US TO HAVE ITS LARGEST AND MOST RELIABLE SUPPLIER OF TIN IN THE SAME HEMISPHERE. CONFIDENTIAL

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THEREFORE, THE US SHOULD SEE THE BENEFIT OF STABLE REMUNERATIVE PRICES WHICH WOULD ATTRACT NEW TIN INVESTMENT IN BOLIVIA. BUSHNELL ASSURED THE AMBASSADOR THAT OUR UPCOMING CONSULTATIONS WITH BOLIVIA ON TIN WOULD PROVIDE THE OPPORTUNITY TO DISCUSS NOT ONLY GSA SALES BUT A WIDER RANGE OF RELATED TOPICS, INCLUDING PRICE. VANCE

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## Message Attributes

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**Copy:** SINGLE  
**Draft Date:** 11 may 1978  
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**Disposition Case Number:** n/a  
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**Subject:** AMBASSADOR ITURRALDE'S CALL ON DEPUTY ASSISTANT SECRETARY BUSHNELL  
**TAGS:** EMIN, PBOR, BL, (ITURRALDE, CARLOS), (BUSHNELL, JOHN A)  
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